



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

October 16, 2012

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

Community Development Commission

2-D

October 16, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH SPECIAL SERVICE FOR
GROUPS FOR ACQUISITION OF 12701 AND 12709 WILLOWBROOK AVENUE IN
UNINCORPORATED WILLOWBROOK
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter recommends approval of an Agreement to Negotiate Exclusively between the Community Development Commission and Special Service for Groups (SSG), a California nonprofit public benefit corporation, for SSG to purchase two Commission-owned properties located at 12701 and 12709 Willowbrook Avenue in unincorporated Willowbrook.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Executive Director or his designee to execute, and if necessary, amend or terminate an Agreement to Negotiate Exclusively with SSG, and all related documents, for SSG to purchase two Commission-owned properties located at 12701 and 12709 Willowbrook Avenue.
2. Find that entering into an Agreement to Negotiate Exclusively with SSG is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because it does not have a potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to execute documents with SSG to negotiate the acquisition of the Commission-owned properties at 12701 and 12709 Willowbrook Avenue.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. If negotiations are successful, the properties will be sold for a price agreed upon by both parties.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Commission purchased the properties at 12701 and 12709 Willowbrook Avenue in 2004 and 2002, respectively, using Community Development Block Grant funds. The properties are located in the former Willowbrook Redevelopment Area. SSG intends to develop three separate detached four-bedroom/two-bath units of supportive housing for persons with mental illness. Each unit would house a total of six occupants. One of the units will also have an office for on-site staff.

SSG is a nonprofit public benefit corporation established in 1993. SSG's purpose is to work towards the development of human service programs which reflect a variety of community needs and concerns. SSD also promotes inter-ethnic and inter-community coordination in the planning, development and operation of human service programs, and encourages shared community involvement in its services, training and research projects.

The attached Agreement to Negotiate Exclusively has been reviewed and approved as to form by County Counsel, and will be effective upon execution by all parties.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment.

The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

NEPA review requirements must be completed prior to execution of a Disposition and Development Agreement for these properties. CEQA review requirements must be completed in conjunction with the entitlement process for each project.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The project will provide needed housing for low-income persons with mental illness within the unincorporated area of Willowbrook.

The Honorable Board of Supervisors
10/16/2012
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

SR:cr

Enclosures

AGREEMENT TO NEGOTIATE EXCLUSIVELY

by and between

THE COMMUNITY DEVELOPMENT COMMISSION

OF THE COUNTY OF LOS ANGELES

and

SPECIAL SERVICE FOR GROUPS, INC.

AGREEMENT TO NEGOTIATE EXCLUSIVELY

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the "Agreement") is entered into this ____ day of _____, 2012, by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic (the "Commission"), and Special Service For Groups, Inc., a California nonprofit public benefit corporation (the "Developer"), on the terms and conditions set forth below. The Commission and the Developer are sometimes referred to collectively herein as the "Parties" and each individually as a "Party."

RECITALS

- A. WHEREAS, the Developer has expressed an interest in developing the Commission-owned site at 12701-12709 Willowbrook Avenue in the unincorporated Willowbrook area of the County of Los Angeles (the "Site") into three detached 4 bedroom/2 bath units. As all of the units will be supportive housing for persons with mental illness. Each unit would house a total of six occupants. One of the units will also have an office to house onsite staff.
- B. WHEREAS, as stated above, Developer is a California nonprofit public benefit corporation and is therefore a procurement process is not necessary.

NOW, THEREFORE, the Parties agree as follows:

[100] Duration of this Agreement

The duration of this Agreement shall be for a period of one hundred eighty (180) days from the date first above written plus a maximum of two 90-day extensions, if mutually agreed to by the Executive Director of the Commission and the Developer ("Negotiation Period"). If, upon expiration of the Negotiation Period, the Developer has not signed and submitted a Disposition and Development Agreement (DDA) satisfactory to the Commission this Agreement shall automatically terminate. The Board of Commissioners of the Community Development Commission of the County of Los Angeles ("Board of Commissioners") has authorized the extension of this Agreement at the discretion of the Executive Director of the Commission.

[101] Deposit

Prior to the execution of this Agreement by the Community Development Commission, the Developer shall submit to the Community Development Commission a non-refundable, good faith cash deposit (the "Deposit") in the amount of FIVE THOUSAND DOLLARS (\$5,000.00). The Deposit shall ensure that the Developer will proceed diligently and in good faith to negotiate and perform all of the Developer's obligations under this Agreement.

The Commission shall place the Deposit in an interest-bearing account and such interest, when received by the Commission, shall become part of the Deposit.

[200] Good Faith Negotiations

The Commission and the Developer agree during the Negotiation Period set forth above to negotiate diligently and in good faith to prepare the DDA for execution by the Developer and for submission and approval by the Board of Commissioners, in the manner set forth herein with respect to the development as referenced in Section 300 hereof (the "Scope of Development") of the Site. The Community Development Commission agrees, for the Negotiation Period, not to negotiate with any other person or entity regarding development or transfer of the Site. During the term of this Agreement, the Commission shall keep confidential all information, plans, projections, and reports provided to the Commission by the Developer in connection with the review, evaluation, and development of the Site and shall not disclose any such material to any third party, except to the extent required by law, without the express written consent of the Developer.

In the event at any time during the Negotiation Period the Developer does not negotiate diligently and in good faith as determined by the Commission in its reasonable discretion, the Commission shall give written notice thereof to the Developer who shall then have thirty (30) business days to negotiate in good faith to the satisfaction of the Commission. Following the receipt of such notice and the failure of the Developer to thereafter negotiate in good faith within said thirty (30) business days, this Agreement may be terminated upon written notice by the Executive Director of the Commission. In the event of such termination by the Commission, the Commission shall retain the Deposit and any interest earned thereon.

Except as provided in the preceding paragraph, upon termination of this Agreement on or before the expiration of the Negotiation Period (which may include any authorized extension of the original 180 day period), neither party shall have any further rights against or liability to the other under this Agreement.

If a DDA is approved and executed by the Commission and the Developer, the DDA shall thereafter govern the rights and obligations of the parties with respect to the Development and shall supersede this Agreement.

[300] Scope of Development

The negotiations between the Developer and the Commission shall be for the disposition, construction of the Development that was proposed by the Developer. The Developer Proposal is incorporated into this Agreement by reference, as though fully set forth herein.

[400] Intentionally Left Blank

[500] The Developer

[501] Nature of the Developer

The Developer is a California nonprofit public benefit corporation. .

[502] Office of the Developer

The principal office of the Developer is:
Special Service for Groups, Inc.
605 West Olympic Blvd., Suite 600
Los Angeles, CA 90015
Attention: Brian Hui

Brian Hui is the Developer's authorized representative to administer and implement this Agreement, subject to any appropriate approvals of the Executive Director or Board of Directors of Special Service for Groups, Inc.

[503] Full Disclosure

The Developer shall make full disclosure to the Commission of its principals, board members, major partners, joint venture partners, key managerial employees and other associates (collectively, "principals"), and all other material information concerning the Development, including education, experience, and qualifications of Developer and its principals whose identities, development experience, and qualifications are of great importance to the Commission and are the bases for the Commission to enter into this Agreement.

Any change of the principals of the Developer directly involved with the development of the Site, with the exception of board members, must be approved by the Commission in its sole discretion during the term of this Agreement.

[600] Developer Financial Capacity and Financial Ability

Prior to approval and execution of the DDA by the Developer and the Commission, the Developer shall submit to the Commission evidence of its ability to finance the construction of the Development to the satisfaction of the Commission in its sole and reasonable discretion.

[700] Developer Pre-development Activities

[701] Public Participation

During the Negotiation Period, Developer must hold public meetings to obtain community comment on the Development. As requested by the Commission, the Developer must facilitate such public meetings and be prepared to report on and respond to questions and comments by the community.

[702] Developer's Findings, Determinations, Studies and Reports

Upon reasonable notice, as requested by the Commission in its sole discretion, the Developer shall provide written progress reports to the Commission on any matters, including plans and studies

related to the Development.

[800] The Community Development Commission of the County of Los Angeles

[801] Office of the Community Development Commission

The principal office of the Community Development Commission is:
Community Development Commission of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755
ATTENTION: Cordé Carrillo, Director
Economic and Housing Development Division

The Director of the Economic and Housing Development Division is the Community Development Commission's authorized representative to administer and implement this Agreement, subject to any appropriate approvals of the Executive Director of the Community Development Commission and Board of Commissioners.

[900] Commission Assistance and Cooperation

The Commission shall assist and cooperate in providing the Developer with appropriate information and assistance for the development of the Site, as the determines in its sole discretion.

[1000] Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by the Commission regarding the sale, transfer, or development of all or any part of the Site. Execution of this Agreement by the Commission is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Board of Commissioners as to any DDA and all proceedings and decisions in connection therewith.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

**COMMUNITY DEVELOPMENT
COMMISSION OF THE COUNTY OF LOS
ANGELES**
a public body, corporate and politic

SPECIAL SERVICE FOR GROUPS, INC.
a California nonprofit public benefit corporation

SEAN ROGAN, Executive Director

Herbert Hatanaka DSW, Executive Director

APPROVED AS TO FORM:
John F. Krattli, County Counsel

BY:

EDWARD YEN
Deputy